

18th May, 1945.



BS.1945/5A.

BUSINESS STATISTICS - MAY, 1945.

C O N T E N T S

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- SEASON. South-west of State still drought-stricken. Improved pasturage elsewhere. Index of rainfall for April, 1945.
- WOOL. Shearing retarded by labour shortage. Arrivals and appraisements in Sydney.
- WHEAT. Sowings well forward except in Riverina. Increased super. supply; Further advance on No. 5 Pool Wheat.
- DAIRYING INDUSTRY. Seasonal decline in production. Subsidy on fresh milk extended to further areas. Butter output in N.S.W. and butter and cheese production, Australia, March, 1945. Pay to suppliers of cream, April, 1945.
- GENERAL. Maize and Potatoes. Harvest estimates increased. Grain Sorghum. Yields heavy.. Fodder Supply situation serious. Poultry. U.K. Government to purchase 1,000 tons. Drought Relief. Further £50,000 provided by N.S.W.

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PART III

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- GENERAL. Experimental building station. Manpower reallocation unlikely till July. Industrial stoppages. Prices of Petrol and Kerosene reduced.

PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON. April rainfall was above average over the greater part of the State but failed in the drought-stricken Riverina and Western Division. During May, to date, useful to heavy rain has fallen in all dairying and agricultural areas excepting a large part of the Riverina. Rain which fell in parts of the Northern section of the Western Division, the eastern section of the Riverina and the South Western Slopes was, inadequate except in isolated areas to afford material relief. Drought has intensified in the western Riverina and over the major part of the Western Division.

Mild weather has favoured the growth of crops and grasses in areas where rain had fallen, and except in the drought areas stock are improving in condition. In these latter areas, and at many places elsewhere, handfeeding is proceeding where fodder is available. Stock losses by starvation continue.

The index of rainfall (below) gives a general indication of the relief so far attained but does not reveal the serious situation in the important pastoral and agricultural areas still suffering drought.

RAINFALL INDEX - N.S.W.

Weighted average ratio of actual to normal rainfall.
Normal rainfall each month = 100.

Month	Sheep		Wheat Districts		Dairying (Coastal) Districts	
	1943-44	1944-45	1943-44	1944-45	1943-44	1944-45
July	67	70	83	53	6	148
Aug.	105	142	103	90	156	234
Sept.	116	31	122	26	128	65
Oct.	90	52	83	73	147	34
Nov.	170	41	171	45	209	56
Dec.	50	37	32	42	176	50
Jan.	45	114	28	127	178	70
Feb.	58	123	32	92	37	99
Mar.	41	31	49	30	50	41
Apr.	61	87	80	63	28	141
May	127		135		59	
June	16		14		57	

WOOL. Shearing is retarded by a shortage of labour. For that reason, and because of drought effects, the quantity of autumn shorn wool reaching Sydney for appraisalment is much smaller than usual.

To May 9, 1945 wool received in Sydney was 850,348 bales, compared with 1,028,508 bales in the corresponding period of last season. The quantity appraised in Sydney to that date was 873,400 bales in 1944-45 and 1,014,033 bales in 1943-44.

WHEAT. Main Crop sowings are well forward in northern and central sections of the wheat belt, in which sections the area is estimated by Dept. of Agriculture to be from 30 to 40 per cent. greater than last season. Many crops show good growth and others are germinating well. Rainfall early in May will facilitate sowing in Eastern Riverina (May is the main sowing month there) and in the Southwestern slopes, and will benefit crops already planted, but substantial falls are needed there and in the still dry sections of the Riverina to enable sowings to attain last season's area.

It has been stated officially that the quantity of superphosphate distributed for wheat growing is 67 per cent. greater this than last season. Crops sown on areas fertilised last season and on which crops failed may develop satisfactorily without further treatment.

The Federal Cabinet is considering increasing the guaranteed price for wheat (now 4s.3d.) to 5s.2d. per bushel at country sidings, but it is now too late for sowings to be affected significantly should the higher price be approved.

A fifth advance on No.5 (1941-42) Pool of 2.625d. for bagged and 1.5d. for bulk wheat announced on May 16 brings the total payments in this Pool to 3s.10.125d. for bagged and 3s.7d. for bulk wheat, on trucks, terminal ports.

DAIRYING INDUSTRY. Pastures have improved in coastal dairying districts, but production of butter has declined and it has been necessary for butter to be drawn from other States to meet local demand. A mass movement of dairy cattle from the Riverina for agistment in areas in the north and central west is in progress.

Extending the subsidy on milk produced for human consumption, payment at the rate of 4d. per gallon is to be made to producers in Jan.-Mar. 1945 in certain shires adjacent to, and the municipalities of Yass, Goulburn, Lithgow, Mudgee, Dubbo, Warren, Nyngan and Gulgong.

Production of butter in March, 1945 increased contra-seasonally, but was lowest for March for many years. In the nine months ended March the output of the factories (58.1 m.lb.) was 18.1 m.lb. less in 1944-45 than in the preceding season and little more than two-thirds of the average in the seasons 1937-38 to 1939-40.

Cheese production also increased in March but over the nine months was 1.3 m. lbs. less this season than in 1943-44.

BUTTER PRODUCED - N.S.W. FACTORIES.

000,000 lb.

Period	Average '37-8/'39-40	1940/41	1941/42	1942/43	1943/44	1944/45
September	7.1	6.5	5.9	6.0	4.9	5.4
October	10.1	8.0	7.5	7.5	8.6	8.5
November	13.1	8.2	7.9	11.3	11.6	8.2
December	13.5	11.4	8.6	12.0	13.1	7.5
January	12.3	14.5	6.7	13.0	12.8	8.0
February	11.8	12.8	8.3	10.2	10.2	6.8
March	11.4	11.7	10.1	8.6	8.4	8.3
Total 9 months	89.7	83.1	64.2	79.2	76.2	58.1
Balance of Year	24.2	20.6	20.0	14.6	11.7	...
Year	113.9	103.7	85.1	93.8	87.9	...

Australian production in the nine months ended March 1945 decreased for butter by about 12 per cent. and for cheese by about $4\frac{1}{2}$ per cent. compared with last season. Less butter was made in each major dairying State and Victoria alone of these made slightly more cheese. Decreases were proportionately greater in N.S.W. than in any other State.

BUTTER AND CHEESE PRODUCED - AUSTRALIAN FACTORIES.

Year	Month of March.		Nine months ended March.	
	Butter	Cheese	Butter	Cheese
	Tons	Tons	Tons	Tons
1942-43	13,369	2,220	140,805	31,600
1943-44	12,194	2,117	131,388	31,826
1944-45	12,955	2,459	115,874	30,432

Reflecting the higher export price and the new arrangements for payments to factories (See BS.1945/4A, p.3 re contract with U.K. Government) the rate at which suppliers of cream to certain North Coast factories were paid increased from 14d. in March to 15.03d. in April, 1945, and the rate of subsidy (including the special non-flush subsidy) decreased from 5.33d. in March, 1945 and 5.34d. in April, 1944 to 4.60d. in April, 1945. Excluding deferred pay farmers received 19.63d. per lb. of commercial butter in April, 1945 compared with 19.34d. in April, 1944.

N.S.W. BUTTER - PAY TO CREAM SUPPLIERS BY CERTAIN NORTH COAST FACTORIES.

Pence per lb. of commercial butter.

Financial Year.	Monthly Pay			Deferred Pay		Subsidy.			Total Pay.		
	Feb.	Mar.	Apr.	July-Dec.	Jan.-June	July-Oct.	Nov.-Mar.	April-June	Feb.	Mar.	Apr.
	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.	d.
1938-39	12.50	12.50	12.25	.51	1.06	13.56	13.56	13.31
1942-43	13.29	13.29	13.79	1.44	1.12	.86	.86	3.80	15.27	15.27	18.71
1943-44	13.50	13.50	14.00	1.00	1.19	3.80	3.80	5.34	18.49	18.49	20.53
1944-45	13.71	13.67	15.03	.75	(a)	5.33	3.54 (b)	4.60	17.25 (b)	19.00 (b)	19.63 (b)

(a) Not available. (b) Excluding deferred pay. (c) 5.33d. in March.

GENERAL. Maize. Due to improvement as a result of mild weather following upon rain the forecast of the maize harvest has been increased by 500,000 bushels to about 2,750,000 bushels.

Grain Sorghum. Areas under this crop are not very extensive. Prospects are good and many crops are yielding up to 60 bushels per acre.

Potatoes. Good rains in all main crop districts benefited crops greatly. A harvest of 72,000 tons is expected in N.S.W.

Fodder Supplies. There is an acute shortage of fodder. The Commonwealth Government is continuing its efforts to obtain supplies from overseas. Investigations by the N.S.W. Minister for Agriculture indicate that N.S.W. may be able to secure about 4,000 tons of chaff from Western Australia and 4,000-5000 tons of chaff, hay, etc. from Tasmania. The N.S.W. allocation of wheat for priority stock feeding in May, is 165,000 bushels, compared with 275,000 bus. in April, 1945.

Poultry. Co-inciding with the necessity to cull on account of the scarcity of fodder a contract has been arranged with the British Ministry of Food to purchase 1,000 tons of boiler type poultry at the price (undrawn) of 1s.3d. stg. per lb. (or 1s.6.75d. Australian) equal to approximately 11d. Aust. per lb. live weight.

Drought Relief. The N.S.W. Government has provided a further £50,000 bringing the total provision (Commonwealth and State) for drought relief in N.S.W. to £2m.

PART II FINANCE AND TRADE.

GENERAL.

VICTORY IN EUROPE.

Germany's agreement to surrender unconditionally was signed at Reims on 7th May, 1945. The surrender was ratified in Berlin two days later. VE Day was celebrated by a public holiday in Australia on 9th May, 1945.

Third Victory Loan. The loan (of £100 m.) was oversubscribed by £6.75 m. There were approximately 400,000 subscribers.

One Man Businesses. have been exempted from the New Manufactures Regulations but persons proposing to establish such must have manpower permission.

Peat's Ferry Bridge over the Hawkesbury River completed at a cost of £454,000, was opened officially on 5th May, 1945.

Export Trade. To foster post-war trading token shipments are to be permitted; some export restrictions may be relaxed, and permits may be given in other cases. Trading on an inter-Governmental basis is likely to continue for some time.

OVERSEA TRADE - AUSTRALIA.

The value, and more so the volume, of Australian civil oversea trade remains much below the pre-war level. In the nine months ended March the value of civil trade differed little this year in comparison with 1943-44, but the commodity balance was nearly £stg.2m. more favourable. The export statistics relate to actual shipments but in the case of some major items (e.g. wool) Australia receives payment from the U.K. Government irrespective of actual shipment. Civil exports do not include exports to Australian and Allied Forces in the Pacific Area. Lend-Lease commodities for civilian requirements are included in civil imports.

The figures for total trade show a marked decrease (of £stg.31.8 m.) in imports from 1943-44 to 1944-45 including that of about £stg.30 m. in war goods and an increase in exports of £stg.4.75 m. of which about £stg. 3 m. was in war goods.

OVERSEA TRADE - AUSTRALIA. (MERCHANDISE)

Nine Months ended March.

£stg. million.

Particulars	Civil Trade.				Total Trade.	
	1937-38	1938-39	1943-44	1944-45	1943-44	1944-45
Exports	85.49	76.03	63.42	64.22	83.16	87.91
Imports	84.71	75.79	60.96	59.80	169.57	137.81
Commodity Balance	.78	.24	2.46	4.42	-86.41	- 49.90

Total exports in the nine months (sterling values) of this year (and of last year in parenthesis) included wool, including sheepskins £26.8 m. (£28.4 m.) and Foodstuffs £43.3 m. (£38.4 m.) Civil imports of apparel, textiles and yarns were £stg. 19.2 m. (£stg.14.7 m.).

COMMONWEALTH ACCOUNTS. Bouyancy of revenue and decreasing expenditure are the characteristics of the Commonwealth accounts.

In the ten months ended April, Income Tax yielded £23.1 m. more this financial year than in 1943-44. With a total increase of £23.1 m. in revenue, and a decrease in expenditure of £61.4 m. the accounts for the ten months were £84.5 m. more favourable. War expenditure showed a decrease of £64.4 m. but other revenue services increased by £3m.

In the ten months war expenditure met from revenue was £20.2 m. greater this year than last year, and the proportion met from loan funds decreased from 71.4 per cent. to 61.4 per cent. of the total.

COMMONWEALTH REVENUE AND EXPENDITURE.
(excluding Income Tax re-imbursed to States)

£ millions.

Particulars.	Month of April.		Ten months ended April.		Increase (+) or Decrease (-)
	1944.	1945.	1944.	1945.	
<u>Revenue:-</u>					
Customs and Excise	4.8	5.3	55.9	55.9	...
Income Tax	15.4	17.6	93.4	116.5	(+) 23.1
Other Taxes	4.4	5.2	42.8	45.0	(+) 2.2
Business Undertakings	2.2	2.5	24.7	25.3	(+) 0.6
Other	1.2	.1	8.6	5.8	(-) 2.8
Total, All Services	28.0	30.7	225.4	248.5	(+) 23.1
<u>Expenditure:-</u>					
War (1939-) from -					
Revenue	19.5	21.4	129.2	149.4	(+) 20.2
Loan	20.3	17.8	322.2	237.6	(-) 84.6
Total War	39.8	39.2	451.4	387.0	(-) 64.4
Other Revenue Services	8.5	9.2	96.2	99.2	(+) 3.0
Total, All Services	48.3	48.4	547.6	486.2	(-) 61.4

At 30th April 1945 the amount of Treasury bills outstanding on Commonwealth account (£363.3 m.) was £10 m. less than a year earlier and there was a credit balance at bank of £6 m. contrasting with a Dr. balance of £2.8 m. in April, 1944. The decrease in bills outstanding of £25 m. between March and April, 1945, doubtless is due to retirements from proceeds of the Third Victory Loan. Treasury bills outstanding reached a peak of £403 m. in March, 1944.

TREASURY BILLS OUTSTANDING IN AUSTRALIA ON COMMONWEALTH ACCOUNT.

	<u>Sept.</u>	<u>Dec.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>April</u>
1943-44 £ millions	325.0	362.3	384.0	403.0	373.3
1944-45 £ millions	378.3	367.3	388.3	388.3	363.3

TRADING BANKS. Figures for March, 1945 reveal a continuance of the features of recent months - a slackening rate of increase in deposits and of decrease in advances, and a tendency for a somewhat greater proportion of Banks' funds to be drawn off into special wartime Deposits with the Commonwealth Bank. In March Qr., 1945 deposits increased by £26.8 m. while £33 m. was added to Special Wartime Deposits, absorbing all the increase in deposits, and besides, a large proportion of £755 m. of advances repaid.

In the two years since March, 1943 the distribution of assets has undergone a marked change, with repayment of advances and the diversion of funds to special wartime deposits as the dominating factors:-

Distribution of Trading Banks' Assets.

	<u>Cash etc.</u>	<u>Treasury Bills.</u>	<u>Govt.&c. Securities.</u>	<u>Special W.T. Deposits</u>	<u>Advances</u>	<u>Total of Foregoing</u>
	Proportion per cent. of total.					
March, 1943	8.7	16.1	12.3	17.3	45.6	100.0
March, 1945.	6.1	10.2	17.8	35.4	30.5	100.0

Other comparative particulars are as follow:-

NINE TRADING BANKS - AUSTRALIA.

Liabilities and Assets within Australia.
£ million.

Av. of Weekly Figures	Deposits.			Coin, Notes, etc. & Cash at C'wealth Bank.	Treas- ury Bills	Govt. & Municipal Securit- ies.	Special Wartime Deposits with C'wealth Bank	Advances Discounts, etc.
	Bearing Interest (Fixed)	Not Bearing Interest (Current)	Total					
1939-June	200.9	117.1	318.0	28.6	23.9	22.1	-	291.7
1942 "	192.0	195.9	387.9	40.4	39.6	56.3	36.4	268.3
1943 "	197.4	256.1	453.5	33.4	50.8	75.7	102.9	246.0
1944 "	219.9	314.6	534.5	38.0	55.4	89.1	182.8	221.8
1943-Dec.	209.9	287.2	497.1	44.0	64.9	79.9	130.6	230.7
1944-Feb.	216.0	311.0	527.0	48.1	75.8	80.5	151.2	222.8
Mar.	218.2	320.8	539.0	45.4	76.0	80.5	164.5	224.4
Dec.	224.2	346.9	571.1	41.3	65.6	109.2	197.4	206.0
1945-Feb.	227.2	361.9	589.1	40.1	65.5	115.0	220.7	199.5
Mar.	228.1	369.8	597.9	39.9	66.8	115.8	230.4	198.5

SAVINGS BANKS. Depositors' balances in savings banks are increasing less rapidly than in 1942-43 and 1943-44. In March, 1945 there was an increase of £7.68 m. in Australia including that of £3.17 m. in New South Wales. For March Qr. the increases were £23.30 m. (£8.77 m. in N.S.W.) in 1945 compared with £31.75 m. (£12.04 m. in N.S.W.) in 1944. Likely factors in the slackening in the rate of increase are the effect on earnings of the tapering off of war production, wider investment in war loans and the adverse rural season.

At 31st March there were in Australia 5,130,000 operative savings accounts in 1945 compared with 4,892,000 in 1944. The numbers in N.S.W. were 1,763,000 and 1,661,000, respectively.

SAVINGS BANK DEPOSITS: N.S.W. AND AUSTRALIA.

Period.	N.S.W.		AUSTRALIA.	
	Deposits at end of period.	Increase or Decrease (-) in period	Deposits at end of period	Increase or Decrease (-) in period.
<u>Year ended June:</u>	£000	£000	£000	£000
1939	87,474	1,458	245,587	5,155
1942	94,538	6,788	274,275	22,044
1943	122,405	27,867	357,995	83,720
1944	162,867	40,462	471,534	113,539
Month: 1943-Dec.	142,109	3,781	414,298	10,230
Feb.	150,375	4,092	436,399	11,159
Mar.	154,154	3,779	446,046	9,647
1944-Dec.	179,128	2,380	516,685	6,222
1945-Feb.	184,725	2,924	532,312	7,817
Mar.	187,894	3,169	539,990	7,678

WAR SAVINGS CERTIFICATES. Contrary to the recent trend, purchases of war savings certificates in March, 1945 greatly exceeded those in the corresponding month of 1944, with the result that in the nine months ended March the net receipts from sales of certificates were slightly greater this year than in 1943-44.

NET PROCEEDS OF SALE OF WAR SAVINGS CERTIFICATES
N.S.W. AND AUSTRALIA.

	Mar. '44	Dec. '44	Jan. '45	Feb. '45	Mar. '45	July-Mar.		Total to March, 1945.
						1943-44	1944-45	
				Thousand £				
N.S.W.	201	197	229x	216x	737	2,434	2,683	18,372
AUST.	598	586	564	478	1,497	6,628	6,746	50,467

x Revised.

INTER-BANK CLEARINGS. Index numbers of inter-bank clearings, suggest that the volume of business transactions settled by cheques has changed but little latterly after an increase of the order of about 50 per cent. between 1939 and 1943. The rise from 145 in March to 154 in April, 1945 accorded with the usual seasonal movement. Price stability has been one factor in the steadiness of the index during the last two years.

Month to month fluctuations in the amount of clearings (affected in April by war loan transactions) are considerable, but for the first four months of 1945 the amount was £10.7 m. greater this than last year.

INTER-BANK CLEARINGS - SYDNEY.

Period	Amount of Clearings (a)					Index (b)				
	1939	1942	1943	1944	1945	1939	1942	1943	1944	1945
	£m.	£m.	£m.	£m.	£m.					
Year	932.5	1248.5	1442.3	1499.6	...	100	131	151	156	...
Jan.-Apr.	293.2	381.7	461.1	467.2	477.9	96	123	141	148	150
March	80.5	102.6	123.4	130.1	123.4	93	119	138	146	145
April	70.7	95.4	125.3	108.4	126.2	98	125	150	150	154

(a) Treasury bill transactions deducted.

(b) Three months moving average: base (100) is average in corresponding month 1926-30.

STOCK EXCHANGE. Movements in share prices on the Sydney Stock exchange are necessarily very small from month to month owing to official control. The market was very firm during April, 1945. For 75 companies included in the index, the index number (195.7) was higher than ever before and 38.8 per cent. above the wartime low level of April, 1942.

The most important movement from March to April, 1945 was a gain of 1.4 points in the index number of retail company shares.

INDEX OF SHARE PRICES - SYDNEY.

Prices of Ordinary Shares (excl. Bank). Par value = 100.
(Compiled by N.S.W. Govt. Statistician.)

Average for Month	Manufact- uring and Dis tributing	Retail	Public Utilities	Pastoral and Finance	Insur- ance	Total 75 Companies	34 Active Shares
1937-Mar.	213.8	203.8	181.0	169.2	281.2	190.4	200.5
1939-Aug.	212.6	168.2	156.0	118.2	263.9	174.4	181.9
1941-Sept.	227.7	177.2	141.5	127.9	253.2	174.9	191.3
1942-Apr.	175.6	139.2	118.0	111.6	212.0	141.0	150.1
1944-Apr.	237.2	194.0	150.1	136.9	254.1	185.8	201.0
1945-Feb.	241.7	205.0	168.5	148.0	264.5	194.7	209.3
Mar.	242.2	205.9	170.1	148.7	264.6	195.4	209.8
Apr.	242.3	207.3	170.2	148.8	264.6	195.7	210.0

REAL ESTATE.

The value of transfers and mortgages registered in N.S.W. in April, 1945 was less than in the preceding month (as occurs in most years) but was substantially greater than in April, 1944.

Property is in keen demand but close Treasury control over transactions tends to limit offerings and turnover. Much of the latter is by way of exchange. A High Court decision has invalidated the requirement of bond purchases as a condition to approval of real estate transfers, without otherwise affecting the Treasurer's control over transactions.

In the ten months ended April, the value of sales was about 30 per cent. greater than in 1943-44 but still about 25 per cent. below that of 1939-40. For mortgages registered the corresponding relationships were 25 per cent. greater and 70 per cent. less.

REAL ESTATE TRANSACTIONS, N.S.W.

Thousand £.

Month	Transfers Registered				Mortgages (Incl. Renewals).			
	1939-40	1942-43	1943-44	1944-45	1939-40	1942-43	1943-44	1944-45
July-Dec.	15,700	9,543	9,412	11,266	10,980	3,104	2,951	3,724
Jan.	1,884	1,226	1,090	1,786	1,480	595	383	608
Feb.	2,524	1,294	1,506	1,999	1,428	390	611	593
Mar.	2,464	1,550	1,552	2,059	1,686	503	663	688
Apr.	2,392	1,517	931	1,663	1,560	536	302	526
10 months	24,964	15,130	14,491	18,773	17,146	5,128	4,910	6,141

PART III INDUSTRY, TRANSPORT, ETC.

GENERAL. Building. An experimental building station is being established at North Ryde by the Commonwealth Housing Commission. The Ministry of Post War Reconstruction has set as a post-war target the building of 80,000 homes a year.

Manpower. The projected review of manpower allocations in June is now unlikely to be made until July. Extensive changes are not expected to be practicable.

About 5,000 skilled tradesmen are to be brought from the United Kingdom as naval ratings to help service the British Fleet.

Industrial A strike of ironworkers at Balmain has resulted in the closing of
Stoppages. important workshops, including Mort's and Cockatoo Island Docks.

Electricity supplies are endangered by an industrial stoppage affecting Bunnerong and Pymont powerhouses.

Petrol and Kerosene prices were reduced 1½d. and 1d. gallon, respectively, as from May 15, 1945, but petrol rationing remains unchanged.